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SUBJECT: Nuclear Power and Germany's Climate Change Goals

11. (U) SUMMARY: The current CDU/CSU-SPD governing coalition agreement commits Germany to phase out all nuclear power, which currently provides 23 percent of Germany's electric power generation, by approximately 2020. Energy industry watchers indicate that the planned phase-out will complicate Germany's quest to meet its ambitious CO2 emission reduction targets; a new study released by Deutsche Bank concludes that a nuclear phase-out could increase CO2 emissions by up to 40 million tons by 2020, assuming coal power replaces the lost nuclear power. With this in mind, Chancellor Merkel and her fellow CDU/CSU party members have called for a review of Germany's nuclear phase-out policy. In contrast, SPD Chancellor candidate Steinmeier and Environment Minister Gabriel (SPD) in particular, strongly oppose any extension of the operating lives of nuclear power plants beyond the planned phase-out timeframe. With national elections approaching, the nuclear power phase-out issue has generated heated debate that touches on Germany's climate change policy, energy profile and nuclear safety record. END SUMMARY

## Nuclear Power and the Election

- 12. (U) Nuclear energy is an issue that divides Germany's political parties and public, and as voters head to the polls for national elections on September 27, the issue has come to figure prominently in political party platforms. Proponents, such as the Social Democrats (SPD) and Green Party strongly support a phase-out of nuclear power. Environment Minister Gabriel (SPD) has called nuclear energy "dinosaur technology" that can only impede innovation and investment in the green technologies he believes will move Germany forward and even pull it out of the recession.
- 13. (U) The Christian Democrats/Social Union (CDU/CSU) and Free Democrats (FDP) generally accept nuclear power as a necessary contributor to Germany's energy supply and generally oppose the nuclear phase-out policy. The FDP party platform states: "The move away from nuclear energy at this point in time is economically and ecologically untenable. We need nuclear energy as a bridging technology. The life-cycles of safe nuclear plants must therefore be extended." The CDU platform cites the 150 million tons of CO2 spared yearly by the use of nuclear energy as a reason to keep nuclear power in the mix.
- 14. (U) According to a recent Forsa poll, 29 percent of Germans believe that nuclear energy issues will play a major or very major role in their voting decision, with over half of all polled favoring continuing or expediting the nuclear phase-

out. A series of recent nuclear plant malfunctions and incidents have provided ammunition to those supporting a nuclear-free Germany. However, the views of scientists and energy industry experts that a phase-out of nuclear power will complicate Germany's CO2 emission reduction goals are receiving increasing attention.

Nuclear Plant Incidents Put Nuclear Energy in the Spotlight

15. (U) Several recent incidents, three plant malfunctions and a nuclear waste leak, have served to heighten the debate over the future of nuclear energy in Germany. The first incident was the emergency shut down of the trouble-prone nuclear plant at Kruemmel near Hamburg on July 4th. The Vattenfall plant, which had been closed for two years following a fire in a transformer, ran for only two weeks before a short-circuit caused this most recent shut-down. Environment Minister Sigmar Gabriel (SPD) jumped to criticize nuclear energy following this incident, saying: "The most recent incidents at Kruemmel show that extending the lifetimes of older nuclear plants is irresponsible." The second incident was the discovery of a radioactive water leak in the salt mine shafts of the Asse II waste storage facility. And on July 24, two more reactors were shut down for minor malfunctions, one in Lingen in Northwest Germany and one in Phillipsburg in Southwest Germany. Minister Gabriel called the events "extraordinarily disturbing" and reiterated his lack of confidence in the safety of nuclear power. CDU Research Minister Schavan countered with a warning against "demonizing" nuclear energy, saying that using these incidents for

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propaganda was irresponsible.

Nuclear Phase-out and Germany's CO2 Emissions Targets

- 16. (U) There are 17 nuclear power plants in Germany that produce 21 GW of electricity, 23 percent of Germany's total. All must be phased out by 2020 under the law passed by the previous SPD and Green government in 2002. The plan calls for seven nuclear plants, producing 7 GW of electricity, to be taken off line by 2013. These 7 plants account for 35 percent of Germany's current nuclear capacity and 8 percent of Germany's current total reliable capacity. The remaining ten nuclear plants are to be phased out between 2014 and 2023. Although supporters of the nuclear phase-out have argued that the lost capacity will be replaced by renewable and clean energy sources, studies show that coal-fired plants are the most realistic substitute, given the existing lack of alternatives capable of producing the required power.
- 17. (U) The Deutsche Bank study estimates that replacing nuclear power with coal-fired plants will increase CO2 emissions by 6 to 30 million tons by 2013, depending on the technology used, with around 15 million tons most likely. This is equivalent to approximately 1.5 percent of Germany's total 2006 greenhouse gas emissions. By 2020, the elimination of nuclear power would increase CO2 emissions between 14 and 62 million tons, with the most likely scenario being 37 million tons, or approximately 4 percent of total German emissions as of 2006.
- 18. (U) The official German commitment to the EU is a 30 percent reduction in greenhouse gas emissions from 1990 levels by 2020, but Germany has set a more ambitious domestic goal of a 40 percent reduction. The increase in CO2 emissions resulting from the nuclear phase-out will make it more difficult for Germany to reach either of these goals. The 37 million ton reduction of CO2 emissions resulting from the proposed nuclear moratorium by 2020 is three percent of Germany's 1990 greenhouse gas emissions. An Environment Ministry study predicts that the current national mitigation

plan, called the "Meseberg Package", will result in 35 percent reduction of emissions from 1990 levels by 2020. The 5 percent difference between this and the targeted 40 percent was to be achieved by state and local-level measures, but remains unspecified in some cases. The additional 3 percent increase in emissions incurred by abandoning nuclear energy will add to this challenge, making the discrepancy 8 percent. Other studies suggest that the gap between the stated target and estimates for what can realistically be achieved by 2020 is even more significant.

Election Outcome Scenarios on Nuclear Power and Emissions

- 19. (U) With 7 nuclear plants scheduled to be phased out under the existing agreement by 2013, any new government will need to make difficult decisions regarding the future of nuclear power in Germany. The latest polling data suggest that the CDU/CSU and FDP will receive enough support to form the next government, which might seek to overturn the nuclear phase-out legislation and extend the life of nuclear plants. Should the CDU/CSU prove unable to form a governing coalition with their favored partner, the FDP, then a continuation of the existing grand coalition is likely, with the SPD presumably making a continuation of the nuclear phase-out a pre-condition. Should the Green Party join a governing coalition, the party is on record as insisting on maintaining the nuclear phase-out.
- ¶10. (U) Germany has already achieved its greenhouse gas emission reduction targets as required under the Kyoto Protocol and is generally on track to meet its European Union goal under current conditions. However, a phase-out of nuclear power would make it difficult for Germany to meet its domestic reduction goal of 40 percent by 2020. Achieving this goal is important for German maintenance of its reputation as a leader in addressing climate change and in positioning itself for the climate negotiations in Copenhagen. Copenhagen climate negotiators will be watching Germany's election

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results closely to see how the victors approach the nuclear phase-out issue.

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